



Department of Medical Assistance Services
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MEDICAID MEMO

TO: Ambulatory Surgery Centers participating in the Virginia Medical Assistance Program, FAMIS, and Managed Care Organizations providing services to Virginia Medicaid and FAMIS recipients

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services (DMAS)

MEMO: Special
DATE: 7/3/2008

SUBJECT: Reimbursement for New Ambulatory Surgery Center Procedure Codes

The purpose of this memo is to inform you of payment rates for new Ambulatory Surgery Center (ASC) procedure codes effective, January 1, 2008.

Medicaid reimburses ASCs based on Medicare assignments of procedure codes to one of nine ASC groups and pays on average 83.52% of the Medicare rates for the nine ASC groups in effect prior to January 2007. The Department of Medical Assistance Services (DMAS) continues to use this methodology for Medicaid even though Medicare implemented a new reimbursement methodology in January 2007. Existing procedure codes are paid according to the old methodology. This memo explains how DMAS determines reimbursement for new ASC procedure codes.

In calendar year 2007, Medicare implemented a new interim ASC reimbursement methodology but still provided information so that DMAS could assign new ASC procedure codes to one of the nine ASC groups from the old Medicare methodology. In calendar year 2008, Medicare implemented a new permanent methodology which reimburses ASCs based on Ambulatory Payment Classification (APC) groups assigned to each procedure code. Many new procedure codes reimbursed under this new methodology cannot be assigned to one of the nine Medicare groups under the old Medicare methodology still used by Medicaid.

DMAS will continue to use the existing nine ASC groups and the associated rates for ASC procedure codes covered prior to January 1, 2008. For new ASC procedure codes covered after January 1, 2008 that cannot be assigned to one of the existing nine ASC groups, primarily office-

based procedures, DMAS will pay 83.52 percent of the Medicare APC-based rate, effective January 1, 2008.

DMAS will be starting the regulatory process to fully implement the new Medicare APC groups for Medicaid ASC reimbursement. The intended implementation date is July 1, 2009, but the actual implementation will depend on the regulatory process.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is <http://virginia.fhsc.com>. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

“HELPLINE”

The “HELPLINE” is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The “HELPLINE” numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the “HELPLINE” is for provider use only. Please have your Medicaid Provider Identification Number available when you call.

COPIES OF MANUALS

DMAS publishes electronic and printable copies of its Provider Manuals and Medicaid Memoranda on the DMAS website at www.dmas.virginia.gov. Refer to the “DMAS Content Menu” column on the left-hand side of the DMAS web page for the “Provider Services” link, which takes you to the “Manuals, Memos and Communications” link. This link opens up a page that contains all of the various communications to providers, including Provider Manuals and Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet or would like a paper copy of a manual, you can order it by contacting Commonwealth-Martin at 1-804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates requested.

PROVIDER E-NEWSLETTER SIGN-UP

DMAS is pleased to inform providers about the creation of a new Provider E-Newsletter. The intent of this electronic newsletter is to inform, communicate, and share important program information with providers. Covered topics will include changes in claims processing, common

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problems with billing, new programs or changes in existing programs, and other information that may directly affect providers. If you would like to receive the electronic newsletter, please sign up at www.dmas.virginia.gov/pr-enewsletter.asp.

Please note that the Provider E-Newsletter is not intended to take the place of Medicaid Memos, Medicaid Provider Manuals, or any other official correspondence from DMAS.